



SNACKING MATTERS:

What's driving snack consumption

Who would have thought that snacks would lead us to a healthier diet? Many of us grew up with the notion that between-meal snacking was a big “no-no,” a proverbial spoiler of appetites and poor substitute for healthier foods.

Times have changed... but we're also not talking about a candy bar or a bowl of potato chips and some onion dip. Twenty-first-century snacking is a whole new ball game.

It is also a global trend. Snack foods are now considered one of the most promising categories in the global fast-moving consumer goods space. According to data from research firm Nielsen, the burgeoning snack category is a rare global growth phenomenon, with total sales of \$3.4 billion in 2017.¹

As a result, snacking and convenience foods are now an important category driver for product development – with strong growth, solid margins and big opportunity in many categories.²

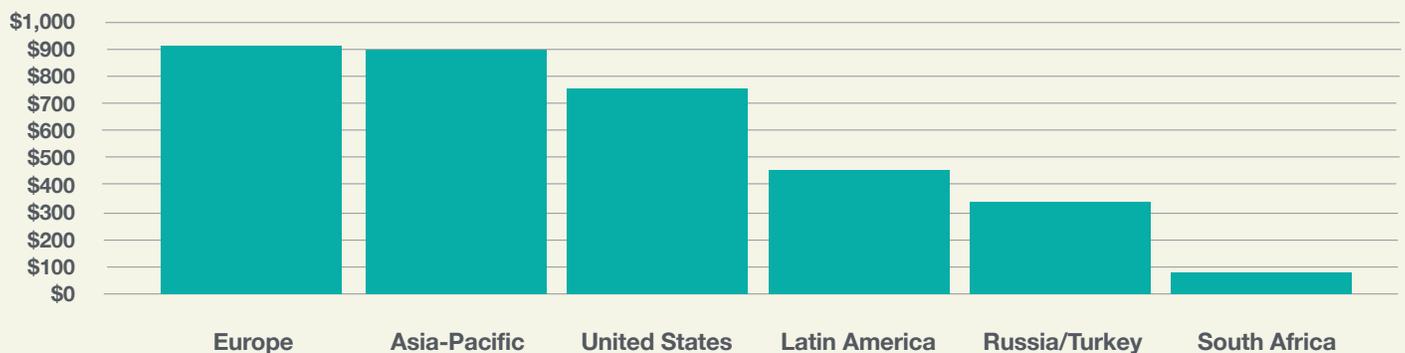
While growth may be surging in developing countries, western markets like the United States are growing at a slower rate, but still ahead of the curve in consumer adoption. With 94% of U.S. adults now reporting a daily

snack,³ this market is an interesting study in how snack trends are evolving. Data reported by SPINS indicates that consumers are shifting from conventional snacks, which have seen declining growth of 2% annually over the past three years, while health/wellness and fresh snacks saw annual growth of 6% and 8% respectively over that same period.⁴

It is fairly clear that consumers are changing how they eat, as well as their attitudes about snacking. This is tied to several trends. First, the pace of life is faster than ever, and Americans simply aren't taking the time to cook from scratch or sit down for a meal.⁵ But they also, increasingly, believe that snacking is a better way to eat, noting that snacks give them a break during the day, help relieve stress and control weight.⁶ In addition, the more people learn about diet and health, the more they are searching for better and healthier alternatives that are plant-based and/or higher in protein.

Global Snack Food Sales Soar

Value Growth in \$M USD



Source: Nielsen Retail Measurement Services Moving Annual Total, Q2 2017

This does not mean they are substituting convenience for quality. They are instead becoming more mindful snackers, looking for products that are fresh, less processed, with simple, natural ingredients, and conscious of calories and carbs.⁷ Mintel data underscores that health is an important attribute for snacks, reporting that one-third (32%) of consumers say that the majority of the snacks they eat are healthy, and 28% say they are eating healthier snacks than they did in 2016.⁸

Young consumers, particularly the millennials (aged 23-40), tend to be at the forefront of the snacking revolution, with one in four now saying they snack 4+ times daily, compared to 10% of Generation X (Age 41-52) and baby boomers (age 53-71).⁹ Millennials are driving what's hot, linking their interest in snacks with other values, such as demand for label-friendly and organic ingredients, and less-processed foods. They also have a taste for adventure in both food and experiences, so they look for products that are new and different, including snacks from other cultures or with bold, spicy flavors.¹⁰



What we snack on matters

Though millennials are ahead of the curve, many of the trends behind snacking transcend age, with adult consumers across generations seeking an appropriate diet to help them lose or maintain weight, and increasingly believing that snacking, or smaller meals, is a better approach. Although there is conflicting evidence about whether eating small meals is truly a helpful weight maintenance tool, experts do agree that the quality of snacks is important. One 2016 review noted that nutrient-poor snacks may be associated with a high Body Mass Index (BMI) and health-promoting snacks that improve nutrient content are to be recommended.¹¹

A good example is snacks with dietary fiber, an under-consumed nutrient that is low in calories and promotes satiety, or a feeling of fullness. Snacks can contribute as much as one-third of daily energy intake, so choices with regard to snacking can play an important role in emphasizing many health-related factors, according to a 2016 study in *Advanced Nutrition*. The researchers concluded that satiety is important to suppressing consumption, so snacks containing high-satiety whole foods, such as protein, fiber and whole grains – say, nuts, yogurt, prunes and popcorn – can affect satiety and promote appetite control, which could reduce obesity.¹² At the same time, one snack type no longer meets all the potential eating occasions, as consumers adopt nibbling throughout the day. In fact, Mintel research indicated that time of day can impact consumers' snack choices. For example, they appear to be more interested in starting the day on a nutritious note, with snacks that are healthy (29%), light (23%), and energizing (23%); while an invigorating pick-me-up is needed in the afternoon; and sweet, indulgent snacks are desirable in the evening.¹³

These trends are prompting food formulators and brands to push the product reinvention envelope. Snacking companies are disrupting conventional food categories and markets with new ideas, such as “the reinvention of meat snacks as premium, tasty and healthy products,” noted Julian Mellentin in the annual report, “10 Key Trends in Food, Nutrition and Health.” The sky's the limit, he said, with almost any category ripe for reinvention based on consumers' willingness to try new foods and flavors, as well as pay a premium for a great snack.¹⁴

Here is an overview of some of the emerging trends:



Make it a mini

Consumers are looking for ease-of-use and convenience, so products that can deliver fresh food and nutrition without the prep work are appealing to many consumers, especially young adults who are on the go and looking for quick, easy mini-meals. Drinkable soups and single-serving breakfast in a bowl (just add an egg and microwave) are some of the products now emerging on store shelves.

The small snack is also a growing trend, as traditional snack makers now provide smaller, lighter versions of their products (think Oreo Thins or Bear Naked Health Bites) that give consumers permission to indulge – just a little.¹⁵

The fresher the better

Fresh snacking products have been on the rise since 2008, according to data from SPINS, and show little sign of slowing. The category – including products ranging from fresh juices, vegetables, and hummus to refrigerated protein bars – has helped to revolutionize brick-and-mortar stores by driving consumers to shop the store perimeter for snacks.¹⁶

Break the norms

Brands that can rethink how a snack might be consumed, combined or purchased in innovative ways are winning in the market. Take, for example, repackaging of nut butters and fresh beets or pickles in easy-to-consume formats. Companies are also coming up with new ways and places to sell snacks in this new snacking era, such as fresh, refrigerated vending machines, and airport shops and cafes.¹⁷ Brands that will be successful must take an innovative, startup-like approach and look for the higher purpose in snacking.

References

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- ⁸ Ibid. Mintel 2017.
- ⁹ Fromm, J. "What Brands Need to Know about Modern Millennial Snack Culture." *Forbes*. February 8, 2017. <https://www.forbes.com/sites/jefffromm/2017/02/08/what-brands-need-to-know-about-modern-millennial-snack-culture/#dd7e7e218858>
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- ¹³ Ibid. Mintel 2017.
- ¹⁴ Ibid. *New Nutrition Business*. Ten Key Trends.
- ¹⁵ Ibid.
- ¹⁶ Ibid. Mintel 2018
- ¹⁷ Ibid. *New Nutrition Business*. Ten Key Trends.

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